

UNIFIED SCHOOL DISTRICT NO. 413

Financial Statements
and
Supplemental Information
with
Report of Independent Auditors

For the Year Ended June 30, 2011

Unified School District No. 413
Chanute, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2011

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S & B

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 413
Chanute, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 413 Chanute, Kansas, as of and for the year ended June 30, 2011. This financial statement is the responsibility of Unified School District No. 413's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Unified School District No. 413, has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the District's policy to prepare its financial statement on the basis of accounting discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 413 as of June 30, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 413, as of June 30, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2012, on our consideration of Unified School District No. 413's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part Unified School District No. 413's statutory basis financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

February 16, 2012

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Unified School District No. 413
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2011

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(4)	\$ 1,291	48	12,229,537	12,230,684	192	676,878	677,070
Supplemental General	(4)	108,355	1,369	3,877,894	3,943,908	43,710	88,667	132,377
Special Revenue:								
At Risk (4 Year Old)		25,001		149,000	81,785	92,216	1,115	93,331
At Risk (K-12)		650,060		2,247,560	1,989,019	908,601	10,683	919,284
Bilingual Education		22,820		1	111	22,710	1	22,711
Capital Outlay	(3)(4)	5,369,913	9,053	458,742	368,526	5,469,182	110,743	5,579,925
Driver Training		55,104		12,005	7,007	60,102		60,102
Food Service	(4)	276,111	259	1,162,883	1,077,295	361,958	10,560	372,518
Professional Development	(4)	174,813	454	97,000	97,618	174,649	18,634	193,283
Special Education		751,739		3,040,000	2,747,233	1,044,506	271	1,044,777
Vocational Education	(4)	29,000	12,049	305,864	318,298	28,615	1,997	30,612
Gifts and Grants		195		2,291	57	2,429		2,429
KPERS Special Retirement Contribution	(2)	(330,451)	(188,387)	917,641	769,047	(370,244)	370,244	
Contingency Reserve		1,409,865				1,409,865		1,409,865
Textbook & Student Material Revolving	(4)	91,870	230	232,066	56,040	268,126	15,936	284,062
Recreation Commission		70,324		198,229	200,000	68,553		68,553
Rec Comm Emp Benf & Spec Liab		13,864		65,999	58,050	21,813		21,813
21st Century Community Learning Centers		1,592				1,592		1,592
Technology Literacy Challenge (Title II-D)	(	1,833)		7,578	6,697	(952)		(952)
Physical Education for Progress	(4)		(5,336)	5,600	264			
Special Mini-Grants				1,700	1,717	(17)		(17)
Low Income ESEA (Title I)	(4)	(125,504)	1,882	625,912	533,507	(31,217)	24,833	(6,384)
Improving Teacher Quality (Title II-A)	(	46,936)		102,458	108,137	(52,615)	1,899	(50,716)
Kan-Ed				11,064	11,064		15,715	15,715
Gate Receipts		21,198		120,282	107,294	34,186		34,186
Special Projects		21,008		22,981	41,723	2,266		2,266
Debt Service:								
Bond and Interest		407,403		2,058,427	2,023,356	442,474		442,474
Capital Projects:								
Stadium Capital Project				36,000	36,000			
School Building Capital Project		2,220,443			293,381	1,927,062		1,927,062
Expendable Trusts:								
School Nurse - Needy Family		6,389		1,454	1,786	6,057		6,057
Snyder Library		164			164			
Total Primary Government (1)		<u>11,223,798</u>	<u>(168,379)</u>	<u>27,990,168</u>	<u>27,109,768</u>	<u>11,935,819</u>	<u>1,348,176</u>	<u>13,283,995</u>

The notes to the financial statements are an integral part of this statement.

Unified School District No. 413
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Year Ended June 30, 2011

	<u>Beginning Unencumbered Cash Balance</u>	<u>Beginning Balance Adjustment</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Composition of Cash:							
Bank of Commerce, Chanute, Ks							98,517
Cash on Hand							77
Community National Bank, Chanute, Ks							11,132,746
Due from St of Ks (Recognized per KSA 10-1116a)							1,309,109
Home Savings Bank, Chanute, Ks							879,370
Less: Agency Funds per Statement 4						(135,830)	
Adjustment for Rounding							6
Total Primary Government (1)							<u>13,283,995</u>

- (1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrance not Recognized
(3) Beg Bal Adjust - Prior Adjustment Eliminated
(4) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1 **Summary of Significant Accounting Policies**

A. Reporting Entity

Principles Used in Determining Scope of Entity

Chanute Unified School District No. 413 is a municipal corporation governed by an elected seven-member board. These financial statements present the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year of 2011:

Governmental Funds:

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

Capital Project Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiver the requirement for application of generally accepted accounting and allowing the District to use the regulatory basis of accounting.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended by the following amounts during the year ended June 30, 2011:

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Legal Max</u>
General Fund	11,834,461	12,387,050	12,230,684

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

Contingency Reserve Fund
Textbook Rental & Student Material Revolving Fund
21st Century Community Learning Grant Fund
Technology Literacy Challenge (Title II-D) Grant Fund
Fund for the Improvement of Education Grant Fund
Special Mini Grants
Low Income ESEA (Title I) Grant Fund
Improving Teacher Quality (Title II-A) Fund
Kan-Ed Fund
Gate Receipts Fund
Special Projects Fund

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the District or its agent in the District's name holds the securities. Category 2 includes uninsured and unregistered investments for which the dealer bank's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the dealer bank holds the securities. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year-end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion which anticipates financing from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities that anticipate financing from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 20th. Delinquent taxes are assessed interest at 12% per annum. The county retains this interest.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds have federal financial assistance due in amounts sufficient to exceed the cash basis violation amounts displayed on the summary statement:

Technology Literacy Challenge	\$ 952
Low Income ESEA Title I	31,227
Improving Teacher Quality	52,615
Special Mini Grants	17

The State of Kansas pays the employers share of Kansas Public Employee Retirement System (KPERS) for each unified school district throughout the state. The Kansas legislature, by statute, created a KPERS fund in each school district's accounting system. The State of Kansas automatically deposits then withdraws the KPERS amount attributable to each school district through each school district's KPERS fund once per quarter. School district personnel have no control concerning these deposit and withdrawal transactions. As of June 30, 2011, the State of Kansas had not deposited nor withdrawn the KPERS amount attributable to Chanute Unified School District No. 413 in the amount of \$370,244. Since the liability was due and payable and the funds had not been received as of June 30, 2011, a cash basis violation resulted and is displayed as such in statement 1 in the amount of \$ (370,244). The State of Kansas subsequently deposited these funds in their entirety on July 12th and 15th.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

Deposits and Investments

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

K.S.A. 12-1675 allows the School district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At June 30, 2011, the carrying amount of the school district's deposits was \$12,752,949 and the bank balance was \$13,752,949. Of the bank balance, \$605,654 was secured by federal depository insurance and the remaining \$13,204,129 was collateralized by securities held by the pledging financial institutions' agents in the school district's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles. The School has waived compliance until June 30, 2011, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Long-term Debt

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2011 was \$77,156,362, excluding motor vehicle valuation. The outstanding bonded indebtedness for debt limit determination as of June 30, 2011 was \$10,801,890. Bonds issued during the 2006 fiscal year in the amount of \$42,690,000 caused the aggregate debt to exceed the legal debt limit. However, an order issued by the Kansas State Board of Education gave the School District authority to issue the series 2006 bonds in excess of the legal debt limit.

One General Obligation Bond issue is outstanding as of June 30, 2011 and will mature through the year 2035. It was issued April 15, 2006 in the amount of \$42,690,000 with interest rates varying from 4.0 to 5.0%. Its purpose was for the construction of a new high school facility, a new elementary school facility and for remodeling of the middle school facility.

Capital Lease Obligations

The School District has entered into two lease-purchase agreements for the purpose of purchasing energy conservation equipment and for the purpose of building a sports complex. Details of changes in lease obligations and lease obligation maturity by year are displayed below. The entire remaining balances of both leases were encumbered at June 30, 2011 and liquidated during July 2011.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Changes in long-term liabilities for the fiscal year were as follows:

	Beginning Balance	Net Change	Payments	End of Year Balance	Interest Paid
<u>General Obligation Bonds</u>					
Series 2006 School Building	\$ 42,690,000			42,690,000	2,023,356
<u>Capital Leases</u>					
Heating Equipment Controls	257,154		30,663	226,491	15,370
Stadium Lease - Part II	380,928		54,433	326,495	15,567
<u>Contracted Liabilities</u>					
Early Retirement Plan	329,842	3,024		332,866	

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

<u>Issue</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-21</u>	<u>2022-26</u>	<u>2027-31</u>	<u>2032-35</u>	<u>Totals</u>
<u>Principle:</u>										
<u>General Obligation Bonds:</u>										
Series 2006 School Bldg	55,000	290,000	370,000	450,000	540,000	4,240,000	7,440,000	11,760,000	17,545,000	42,690,000
<u>Capital Leases:</u>										
HVAC	32,496	34,407	36,495	38,676	40,988					226,490
Stadium	328,420									328,420
<u>Contracted Liabilities:</u>										
Early Retirement Plan	145,985	88,031	66,091	20,583	12,176					332,866
<u>Interest:</u>										
<u>General Obligation Bonds:</u>										
Series 2006 School Bldg	2,022,256	2,015,356	2,001,925	1,985,013	1,964,931	9,364,403	7,968,175	5,678,525	3,048,631	36,049,215
<u>Capital Leases:</u>										
HVAC	13,537	11,627	9,538	7,357	5,045	2,603				49,707
Stadium	2,708									2,708

Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Other Employee Benefits

Vacation and Sick Pay

The school districts sick leave policy allows crediting each employee with ten days sick leave per year to a maximum of ninety days. At retirement or death all full time employees with fifteen years of service are compensated for fifty percent of accumulated and unused sick leave days.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Early Professional Employee Retirement

The school district's professional employee early retirement plan allows any professional employee, at the employee's option, to take early retirement at ages fifty-five through sixty-five providing the employee has at least fifteen years prior service with the school district. An employee who takes early retirement is entitled to five annual payments equal to fifteen percent of that employee's last basic contracted salary until the end of the contract year in which that employee reaches age sixty-five or five annual payments whichever occurs first. Such payments will be paid into an individual 403(b) account.

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 3,040,000
General Fund	Capital Outlay Fund	K.S.A. 72-6428	170,000
General Fund	Vocational Education Fund	K.S.A. 72-6428	280,000
General Fund	At Risk (4Yr Old) Fund	K.S.A. 72-6428	149,000
General Fund	At Risk (K-12)	K.S.A. 72-6428	151,921
General Fund	Professional Development	K.S.A. 72-6428	97,000
General Fund	Textbook	K.S.A. 72-6428	200,000
Supp. General	At Risk (K-12)	K.S.A. 72-6433	2,095,640
Capital Project	Bond and Interest Fund	K.S.A. 10-117a	290,000

Note 4 In-substance receipt in Transit

The District received \$1,309,109 subsequent to June 30, 2011, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2011.

Note 5 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 6 Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	<u>Total</u>	<u>State</u>		<u>Federal</u>	
	<u>Revenue</u>	<u>Aid</u>	<u>%</u>	<u>Aid</u>	<u>%</u>
General Fund	12,229,536	10,623,120	86.9	622,507	5.1
Supplemental General	3,877,894	2,299,773	59.3		
Bond and Interest	2,058,427	950,977	46.2		
Other Funds	<u>3,408,147</u>	<u>745,409</u>	<u>21.9</u>	<u>1,530,504</u>	<u>44.9</u>
Total All Funds	<u>21,574,004</u>	<u>14,619,279</u>	<u>67.8</u>	<u>2,153,011</u>	<u>10.0</u>

Note 7 Subsequent Events

The school district issued two sets of bonds subsequent to June 30, 2011. The first issue was dated November 22, 2011 and was in the amount of \$9,390,000. The second issue was dated January 4, 2012 and was in the amount of \$9,330,000. The purpose of both issues was to partially refund the 2006 series school building bonds.

Unified School District No. 413
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2011

	Certified Budget	Legal Max. Adjustment	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:					
General	\$ 12,387,050	(156,366)	12,230,684	12,230,684	
Supplemental General	3,943,908		3,943,908	3,943,908	
Special Revenue:					
At Risk (4 Year Old)	82,040		82,040	81,785	255
At Risk (K-12)	2,393,100		2,393,100	1,989,019	404,081
Bilingual Education	18,000		18,000	111	17,889
Capital Outlay	2,492,970		2,492,970	368,526	2,124,444
Driver Training	59,550		59,550	7,007	52,543
Food Service	1,296,050		1,296,050	1,077,295	218,755
Professional Development	174,813		174,813	97,618	77,195
Special Education	3,419,626		3,419,626	2,747,233	672,393
Vocational Education	329,942		329,942	318,298	11,644
Gifts and Grants	10,195		10,195	57	10,138
KPERS Special Retirement Contribution	883,476		883,476	769,047	114,429
Recreation Commission	200,000		200,000	200,000	
Rec Comm Emp Benf & Spec Liab	58,050		58,050	58,050	
Debt Service:					
Bond and Interest	2,023,356		2,023,356	2,023,356	
Totals	<u>29,772,126</u>	<u>(156,366)</u>	<u>29,615,760</u>	<u>25,911,994</u>	<u>3,703,766</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 1,078,089	941,988	918,812	23,176
Delinquent Taxes	14,430	20,769	30,591	(9,822)
Total Revenue from Local Sources	1,092,519	962,757	949,403	13,354
Revenue from County Sources				
Revenue in Lieu of Taxes	3,593	2,211	1,105	1,106
Revenue from State Sources				
State Financial Aid	9,560,299	8,602,769	9,090,633	(487,864)
Mineral Production Tax	6,285	18,939	5,000	13,939
Special Education Aid	1,928,950	2,020,354	1,956,968	63,386
Total Revenue from State Sources	11,495,534	10,642,062	11,052,601	(410,539)
Revenue from Federal Sources				
Passed Through State of Kansas		396,223		396,223
ARRA Grant	594,515	226,284	226,284	
Total Revenue from Federal Sources	594,515	622,507	226,284	396,223
Total Cash Receipts	13,186,161	12,229,537	12,229,393	144
Expenditures and Transfers				
Instruction				
Certified Salaries	3,202,634	3,719,119	4,103,000	383,881
Non-Certified Salaries		42,152		(42,152)
Group Insurance	304,390	312,441	350,000	37,559
Social Security Contributions	270,836	264,414	290,000	25,586
Other Employee Benefits	51,154	37,539	65,000	27,461
Communication Services	27,178	39,950		(39,950)
Other Miscellaneous Purchased Services	16,846	14,249	46,500	32,251
General Supplies and Materials	5,798			
Textbooks			100,000	100,000
Property (Equipment & Furnishings)			275,000	275,000
Total Instruction	3,878,836	4,429,864	5,229,500	799,636
Support Services - Students				
Certified Salaries	297,221	296,565	302,000	5,435
Non-Certified Salaries	29,578	22,896	30,000	7,104
Group Insurance	35,420	34,031	37,500	3,469
Social Security Contributions	23,740	22,969	24,500	1,531
Other Employee Benefits	3,183	3,276	4,350	1,074
Other			3,500	3,500
Total Support Services - Students	389,142	379,737	401,850	22,113
Support Services - Instructional Staff				
Certified Salaries	182,774	182,141	195,000	12,859
Group Insurance	12,956	13,540	14,000	460
Social Security Contributions	13,448	13,308	15,000	1,692
Other Employee Benefits	1,788	1,864	2,500	636
General Supplies and Materials	958	1,327		(1,327)
Books and Periodicals	35,719	36,349	39,204	2,855
Miscellaneous Supplies			4,000	4,000
Total Support Services - Instructional Staff	247,643	248,529	269,704	21,175
Support Services - General Administration				
Certified Salaries	210,330	206,285	214,000	7,715
Non-Certified Salaries	66,920	57,182	62,151	4,969
Group Insurance	19,687	20,004	21,282	1,278
Social Security Contributions	20,130	18,919	22,500	3,581
Other Employee Benefits	2,625	2,631	3,100	469
Purchased Professional and Technical Services	102,694	108,674	140,000	31,326
Communication Services	8,049	6,102	6,000	(102)
Supplies and Materials			10,000	10,000

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year			Variance Favorable (Unfavor)
		Prior Year Actual	Current Year Actual	Budget	
Other	\$	<u>27,375</u>	<u>31,575</u>	<u>40,000</u>	<u>8,425</u>
Total Support Services - General Administration		<u>457,810</u>	<u>451,372</u>	<u>519,033</u>	<u>67,661</u>
Support Services - School Administration					
Certified Salaries		597,794	585,435	621,025	35,590
Non-Certified Salaries		167,057	155,129	185,000	29,871
Group Insurance		56,451	28,593	74,500	45,907
Social Security Contributions		52,295	56,515	60,000	3,485
Other Employee Benefits		<u>7,288</u>	<u>21,997</u>	<u>11,000</u>	<u>(10,997)</u>
Total Support Services - School Administration		<u>880,885</u>	<u>847,669</u>	<u>951,525</u>	<u>103,856</u>
Support Services - Plant Operation and Maintenance					
Purchased Professional and Technical Services		2,055	2,402	1,800	(602)
Water/Sewer Services (Non-Energy)		24,605	23,021	33,400	10,379
Cleaning Services		19,108	2,733	19,500	16,767
Repairs and Maintenance Services		103,857	342,104	126,000	(216,104)
Repair of Buildings		37,908	64,929	144,000	79,071
Insurance Services		129,317	101,937	143,500	41,563
Telephone/or Telegraph Services			616		(616)
Other Miscellaneous Purchased Services		15,754	14,029	28,250	14,221
General Supplies and Materials		77,297	76,302	82,000	5,698
Heating		86,928	96,606	170,600	73,994
Electricity		336,849	417,607	385,700	(31,907)
Motor Fuel		9,262	7,518	19,000	11,482
Property (Equipment & Furnishings)		<u>871</u>	<u>363,500</u>	<u>394,991</u>	<u>31,491</u>
Total Support Services - Plant Operation and Maintenance		<u>843,811</u>	<u>1,513,304</u>	<u>1,548,741</u>	<u>35,437</u>
Vehicle Operation Services					
Non-Certified Salaries		119,701	120,197	105,000	(15,197)
Group Insurance		27,758	43,053	27,000	(16,053)
Social Security Contributions		10,325	10,582	9,300	(1,282)
Other Employee Benefits		1,470	1,549	700	(849)
Insurance Services		13,575	11,821	14,000	2,179
Motor Fuel		50,396	61,047	95,000	33,953
Property (Equipment & Furnishings)		21,100	8,026		(8,026)
Vehicles (Including school buses)		106,140	96,105	225,000	128,895
Other		<u>1,894</u>	<u>2,639</u>	<u>1,200</u>	<u>(1,439)</u>
Total Vehicle Operation Services		<u>352,359</u>	<u>355,019</u>	<u>477,200</u>	<u>122,181</u>
Supervision Services					
Non-Certified Salaries		28,292	28,744	31,000	2,256
Social Security Contributions		527		2,350	2,350
Other Employee Benefits				2,300	2,300
Total Supervision Services		<u>28,819</u>	<u>28,744</u>	<u>35,650</u>	<u>6,906</u>
Vehicle Servicing and Maintenance Services					
Purchased Professional and Technical Services		9,256	2,586	50,000	47,414
Purchased Property Services		19,329	28,006		(28,006)
Supplies and Materials		11,252	18,957	17,000	(1,957)
Other		<u>2,139</u>	<u>4,218</u>		<u>(4,218)</u>
Total Vehicle Servicing and Maintenance Services		<u>41,976</u>	<u>53,767</u>	<u>67,000</u>	<u>13,233</u>
Support Services - Business					
Non-Certified Salaries		40,013	40,892	49,000	8,108
Group Insurance		5,888	11,673	6,820	(4,853)
Social Security Contributions		3,009	3,050	3,500	450
Other Employee Benefits		415	438	950	512
Purchased Professional and Technical Services			177		(177)
Total Support Services - Business		<u>49,325</u>	<u>56,230</u>	<u>60,270</u>	<u>4,040</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Fund Transfers				
Bilingual Education	\$	22,820		
Capital Outlay		2,304,780	170,000	(170,000)
Professional Development			97,000	(97,000)
Special Education		1,928,950	3,040,000	(740,756)
Vocational Education		302,338	280,000	(280,000)
Textbook			189,968	(189,968)
At Risk (4yr Old)		59,240		
At Risk (K-12)		1,412,752	89,481	437,852
Total Fund Transfers		<u>6,030,880</u>	<u>3,866,449</u>	<u>(1,039,872)</u>
Budget Adjustments				
Legal Max Adjustment				(156,366)
Total Expenditures and Transfers		<u>13,201,486</u>	<u>12,230,684</u>	<u>12,230,684</u>
Receipts Over (Under)				
Expenditures and Transfers	(	15,325)	(1,147)	
Unencumbered Cash, Beginning		15,326	1,291	
Prior Year Encumbrances Cancelled		<u>1,290</u>	<u>48</u>	
Unencumbered Cash, Ending		<u>1,291</u>	<u>192</u>	

Unified School District No. 413
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 4 of 34

For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 1,559,228	1,340,161	1,271,791	68,370
Delinquent Taxes	24,697	30,547	44,989	(14,442)
Total Revenue from Local Sources	<u>1,583,925</u>	<u>1,370,708</u>	<u>1,316,780</u>	<u>53,928</u>
Revenue from County Sources				
Motor Vehicle Tax	169,123	201,913	207,457	(5,544)
Recreational Vehicle Tax	2,218	2,759	2,617	142
Revenue in Lieu of Taxes	3,568	2,741	1,404	1,337
Total Revenue from County Sources	<u>174,909</u>	<u>207,413</u>	<u>211,478</u>	<u>(4,065)</u>
Revenue from State Sources				
Supplemental State Aid	1,883,086	2,299,773	2,307,297	(7,524)
Revenue from Federal Sources				
ARRA Grant	639,797			
Total Cash Receipts	<u>4,281,717</u>	<u>3,877,894</u>	<u>3,835,555</u>	<u>42,339</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	639,797	1,013		(1,013)
Non-Certified Salaries	67,752	56,365	72,000	15,635
Group Insurance	23,631	22,991	26,500	3,509
Social Security Contributions	4,499	3,716	9,000	5,284
Worker's Compensation		372		(372)
Other Employee Benefits		33		(33)
Purchased Professional and Technical Services	22,951	29,677	12,000	(17,677)
Other Miscellaneous Purchased Services	391	1,542	6,700	5,158
General Supplies and Materials	291,264	222,158	312,553	90,395
Textbooks	47,086	4,100	30,000	25,900
Technology Supplies	71,764	148,312	79,956	(68,356)
Miscellaneous Supplies	2,082	2,105	4,271	2,166
Property (Equipment & Furnishings)	113,484	85,346	126,403	41,057
Equipment	34,348	26,647		(26,647)
Other	2,396	3,225	2,200	(1,025)
Total Instruction	<u>1,321,445</u>	<u>607,602</u>	<u>681,583</u>	<u>73,981</u>
Support Services - Students				
Certified Salaries	52,537	52,138	53,000	862
Non-Certified Salaries	14,095	14,043	17,000	2,957
Group Insurance	5,221	5,447	12,000	6,553
Social Security Contributions	4,996	4,952	6,500	1,548
Other Employee Benefits	3,983	2,640	7,800	5,160
Purchased Professional and Technical Services	411	219	400	181
Other Purchased Services	1,255	1,243	2,000	757
Supplies and Materials	2,400	2,670	4,050	1,380
Total Support Services - Students	<u>84,898</u>	<u>83,352</u>	<u>102,750</u>	<u>19,398</u>
Support Services - Instructional Staff				
Certified Salaries	48,431	64,575	71,750	7,175
Non-Certified Salaries	183,960	181,708	195,121	13,413
Group Insurance	25,583	32,147	30,000	(2,147)
Social Security Contributions	16,210	16,884	18,500	1,616
Worker's Compensation		668		(668)
Other Employee Benefits		71		(71)
Purchased Professional and Technical Services	8,367	21,427	4,500	(16,927)
Purchased Property Services			4,500	4,500
Other Purchased Services	1,315	1,533	7,700	6,167
Total Support Services - Instructional Staff	<u>283,866</u>	<u>319,013</u>	<u>332,071</u>	<u>13,058</u>

Supplemental General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Support Services - General Administration				
Supplies and Materials	\$	1,663	2,252	4,000
Support Services - School Administration				
Supplies and Materials		19,060	31,030	32,508
General Supplies and Materials		6,617	9,938	(9,938)
Total Support Services - School Administration		25,677	40,968	32,508
Support Services - Plant Operation and Maintenance				(8,460)
Non-Certified Salaries		494,797	467,699	533,000
Group Insurance		83,516	78,509	89,500
Social Security Contributions		35,051	32,554	40,000
Worker's Compensation			4	(4)
Other Employee Benefits		4,518	4,819	7,150
Repair of Buildings				92,818
General Supplies and Materials		83	57	12,000
Property (Equipment & Furnishings)				50,000
Total Support Services - Plant Operation and Maintenance		617,965	583,642	824,468
Facilities Acquisition and Construction Services				240,826
Architecture and Engineering Services				10,000
Fund Transfers				
Bilingual Education				2,000
Driver Training		10,000		12,500
Food Service		50,000		
Professional Development		100,000		
Special Education		700,000		368,643
Vocational Education		10,000		300,640
At Risk (4yr Old)		10,000	149,000	57,038
At Risk (K-12)		1,026,425	2,158,079	1,215,707
Total Fund Transfers		1,906,425	2,307,079	1,956,528
Total Expenditures and Transfers		4,241,939	3,943,908	3,943,908
Receipts Over (Under)				
Expenditures and Transfers		39,778	(66,014)	
Unencumbered Cash, Beginning		65,194	108,355	
Prior Year Encumbrances Cancelled		3,383	1,369	
Unencumbered Cash, Ending		108,355	43,710	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 59,239		57,038	(57,038)
Transfer from Supplemental General Fund	10,000	149,000		149,000
Total Cash Receipts	<u>69,239</u>	<u>149,000</u>	<u>57,038</u>	<u>91,962</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	42,450	27,351	43,500	16,149
Non-Certified Salaries		12,172	12,000	(172)
Group Insurance	5,150	5,400	11,000	5,600
Social Security Contributions	3,222	4,282	4,200	(82)
Worker's Compensation		117		(117)
Other Employee Benefits	418	463	600	137
Supplies and Materials	2,176	3,441		(3,441)
General Supplies and Materials	4,044	4,075	3,175	(900)
Property (Equipment & Furnishings)			855	855
Equipment		187		(187)
Total Instruction	<u>57,460</u>	<u>57,488</u>	<u>75,330</u>	<u>17,842</u>
Support Services - Instructional Staff				
Purchased Professional and Technical Services	1,353		5,000	5,000
Miscellaneous Supplies			1,710	1,710
Total Support Services - Instructional Staff	<u>1,353</u>		<u>6,710</u>	<u>6,710</u>
Support Services - School Administration				
Certified Salaries		19,926		(19,926)
Group Insurance		2,911		(2,911)
Social Security Contributions		1,258		(1,258)
Worker's Compensation		202		(202)
Total Support Services - School Administration		<u>24,297</u>		<u>(24,297)</u>
Total Expenditures and Transfers	<u>58,813</u>	<u>81,785</u>	<u>82,040</u>	<u>255</u>
Receipts Over (Under)				
Unencumbered Cash, Beginning	14,575	25,001		
Expenditures and Transfers	<u>10,426</u>	<u>67,215</u>		
Unencumbered Cash, Ending	<u>25,001</u>	<u>92,216</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 1,412,752	151,921	527,333	(375,412)
Transfer from Supplemental General Fund	1,026,425	2,095,639	1,215,707	879,932
Total Cash Receipts	<u>2,439,177</u>	<u>2,247,560</u>	<u>1,743,040</u>	<u>504,520</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	1,442,168	1,424,433	1,665,000	240,567
Non-Certified Salaries	256,415	230,402	310,000	79,598
Group Insurance	167,855	188,207	205,000	16,793
Social Security Contributions	118,101	117,321	149,000	31,679
Worker's Compensation		10,850		(10,850)
Other Employee Benefits	16,166	5,427	17,600	12,173
Purchased Professional and Technical Services			10,000	10,000
Other Miscellaneous Purchased Services			10,000	10,000
General Supplies and Materials	4,080	7,603	7,500	(103)
Technology Supplies		3,545	7,000	3,455
Property (Equipment & Furnishings)			7,000	7,000
Equipment	3,759	1,231		(1,231)
Total Instruction	<u>2,008,544</u>	<u>1,989,019</u>	<u>2,388,100</u>	<u>399,081</u>
Support Services - Students				
Supplies and Materials			5,000	5,000
Total Expenditures and Transfers	<u>2,008,544</u>	<u>1,989,019</u>	<u>2,393,100</u>	<u>404,081</u>
Receipts Over (Under)				
Unencumbered Cash, Beginning	218,472	650,060		
Expenditures and Transfers	430,633	258,541		
Prior Year Encumbrances Cancelled	955			
Unencumbered Cash, Ending	<u>650,060</u>	<u>908,601</u>		

Bilingual Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 22,820			
Transfer from Supplemental General Fund		1	2,000	(1,999)
Total Cash Receipts	<u>22,820</u>	<u>1</u>	<u>2,000</u>	<u>(1,999)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		71	9,290	9,219
Non-Certified Salaries		31	7,500	7,469
Group Insurance			625	625
Social Security Contributions		3	585	582
Other Employee Benefits		6		(6)
Total Expenditures and Transfers		<u>111</u>	<u>18,000</u>	<u>17,889</u>
Receipts Over (Under)				
Expenditures and Transfers	22,820	(110)		
Unencumbered Cash, Beginning		22,820		
Unencumbered Cash, Ending	<u>22,820</u>	<u>22,710</u>		

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	13,973			
Delinquent Taxes		5,638	4,106		4,106
Earnings on Investments		186,880	157,458	110,000	47,458
Other Revenue From Local Sources		109,033	103,254		103,254
Total Revenue from Local Sources		<u>315,524</u>	<u>264,818</u>	<u>110,000</u>	<u>154,818</u>
Revenue from County Sources					
Motor Vehicle Tax		37,530	23,615	26,304	(2,689)
Recreational Vehicle Tax		490	309	332	(23)
Revenue in Lieu of Taxes		718		177	(177)
Total Revenue from County Sources		<u>38,738</u>	<u>23,924</u>	<u>26,813</u>	<u>(2,889)</u>
Operating Transfers					
Transfer from General Fund		2,304,778	170,000		170,000
Total Cash Receipts		<u>2,659,040</u>	<u>458,742</u>	<u>136,813</u>	<u>321,929</u>
Expenditures and Transfers					
Instruction					
Social Security Contributions			46		(46)
Property (Equipment & Furnishings)		40,999	175,531	684,370	508,839
Total Instruction		<u>40,999</u>	<u>175,577</u>	<u>684,370</u>	<u>508,793</u>
Support Services - General Administration					
Property (Equipment & Furnishings)			7,696		(7,696)
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries			670		(670)
Property (Equipment & Furnishings)		16,622	19,100	8,600	(10,500)
Total Support Services - Plant Operation and Maintenance		<u>16,622</u>	<u>19,770</u>	<u>8,600</u>	<u>(11,170)</u>
Student Transportation Services					
Property (Equipment & Furnishings)				200,000	200,000
Facilities Acquisition and Construction Services					
Site Improvement Services		12,958		500,000	500,000
Architecture and Engineering Services		38,834		50,000	50,000
New Buildings Acquisition and Construction		276,261	61,954	750,000	688,046
Building Repair and Remodeling		233,588	103,529	300,000	196,471
Total Facilities Acquisition and Construction Services		<u>561,641</u>	<u>165,483</u>	<u>1,600,000</u>	<u>1,434,517</u>
Total Expenditures and Transfers		<u>619,262</u>	<u>368,526</u>	<u>2,492,970</u>	<u>2,124,444</u>
Receipts Over (Under)					
Expenditures and Transfers		2,039,778	90,216		
Unencumbered Cash, Beginning		3,311,328	5,369,913		
Prior Year Encumbrances Cancelled		18,807	3,380		
Beginning Balance Adjustment			5,673		
Unencumbered Cash, Ending		<u>5,369,913</u>	<u>5,469,182</u>		

Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$	6,711	2,500	2,500
User Charges and Fines			1,956	1,956
Total Revenue from Local Sources		<u>6,711</u>	<u>4,456</u>	<u>4,456</u>
Revenue from State Sources				
State Financial Aid		<u>3,100</u>	<u>7,549</u>	<u>3,780</u>
Operating Transfers				
Transfer from Supplemental General Fund		<u>10,001</u>		<u>12,500</u>
Total Cash Receipts		<u>19,812</u>	<u>12,005</u>	<u>(4,275)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		17,500	6,500	20,000
Group Insurance				500
Social Security Contributions		1,313	469	1,800
Other Employee Benefits		14	10	(10)
General Supplies and Materials				4,000
Miscellaneous Supplies		50	28	6,000
Other				1,000
Total Instruction		<u>18,877</u>	<u>7,007</u>	<u>33,300</u>
Vehicle Operation and Maintenance Services				
Insurance Services				500
Motor Fuel				750
Property (Equipment & Furnishings)				25,000
Total Vehicle Operation and Maintenance Services				<u>26,250</u>
Total Expenditures and Transfers		<u>18,877</u>	<u>7,007</u>	<u>59,550</u>
Receipts Over (Under)				
Expenditures and Transfers		935	4,998	
Unencumbered Cash, Beginning		<u>54,169</u>	<u>55,104</u>	
Unencumbered Cash, Ending		<u>55,104</u>	<u>60,102</u>	

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

			Current Year		
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts					
Revenue from Local Sources					
Student Sales	\$	415,750	220,489	316,600	(96,111)
Adults and Non-Reimbursable Programs		20,412	179,906	82,955	96,951
Other Revenue From Local Sources		4,257	33,202		33,202
Total Revenue from Local Sources		440,419	433,597	399,555	34,042
Revenue from State Sources					
State Financial Aid		10,482	19,756	9,772	9,984
Revenue from Federal Sources					
Passed Through State of Kansas		678,280	709,530	610,612	98,918
Operating Transfers					
Transfer from Supplemental General Fund		50,000			
Total Cash Receipts		1,179,181	1,162,883	1,019,939	142,944
Expenditures and Transfers					
Support Services - Plant Operation and Maintenance					
Heating				50,000	50,000
Electricity				50,000	50,000
Miscellaneous Supplies				8,750	8,750
Total Support Services - Plant Operation and Maintenance				108,750	108,750
Food Service Operations					
Non-Certified Salaries		392,562	377,814	394,000	16,186
Employee Benefits		504	251		(251)
Group Insurance		71,579	75,786	78,000	2,214
Social Security Contributions		26,812	26,324	28,000	1,676
Worker's Compensation			232		(232)
Other Employee Benefits		3,745	3,609	4,500	891
Purchased Professional and Technical Services			530		(530)
In-District Travel			810		(810)
Other Miscellaneous Purchased Services		25,385	22,551	31,500	8,949
Supplies and Materials		1,763	1,159		(1,159)
Other		1,957	249		(249)
Food and Milk		553,566	541,700	525,000	(16,700)
Miscellaneous Supplies		269	2,444	3,400	956
Property (Equipment & Furnishings)		36,501	23,736	122,250	98,514
Other		118	100	650	550
Total Food Service Operations		1,114,761	1,077,295	1,187,300	110,005
Total Expenditures and Transfers		1,114,761	1,077,295	1,296,050	218,755
Receipts Over (Under)					
Expenditures and Transfers		64,420	85,588		
Unencumbered Cash, Beginning		211,666	276,111		
Prior Year Encumbrances Cancelled		25	259		
Unencumbered Cash, Ending		276,111	361,958		

Unified School District No. 413
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$	97,000		97,000
Transfer from Supplemental General Fund	100,000			
Total Cash Receipts	<u>100,000</u>	<u>97,000</u>	<u></u>	<u>97,000</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	37,542	48,103	44,000	(4,103)
Non-Certified Salaries	17,742	3,173		(3,173)
Social Security Contributions	4,604	3,746	4,000	254
Worker's Compensation		415		(415)
Other Employee Benefits	639	122	450	328
Purchased Professional and Technical Services	38,449	41,980	66,176	24,196
Other Purchased Services	17		20,000	20,000
Miscellaneous Supplies	254	79	4,000	3,921
Property (Equipment & Furnishings)			20,000	20,000
Other			16,187	16,187
Total Expenditures and Transfers	<u>99,247</u>	<u>97,618</u>	<u>174,813</u>	<u>77,195</u>
Receipts Over (Under)				
Expenditures and Transfers	753	(618)		
Unencumbered Cash, Beginning	173,537	174,813		
Prior Year Encumbrances Cancelled	<u>523</u>	<u>454</u>		
Unencumbered Cash, Ending	<u>174,813</u>	<u>174,649</u>		

Unified School District No. 413
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 1,928,950	3,040,000	2,299,244	740,756
Transfer from Supplemental General Fund	700,000		368,643	(368,643)
Total Cash Receipts	<u>2,628,950</u>	<u>3,040,000</u>	<u>2,667,887</u>	<u>372,113</u>
Expenditures and Transfers				
Instruction				
Certified Salaries			12,276	12,276
LEA Payments to COOP (Local Share)	686,759	636,540	956,355	319,815
LEA Payments to COOP (Flowthrough)	1,928,950	2,020,354	2,293,645	273,291
Total Instruction	<u>2,615,709</u>	<u>2,656,894</u>	<u>3,262,276</u>	<u>605,382</u>
Vehicle Operation Services				
Non-Certified Salaries	50,966	34,202	77,000	42,798
Group Insurance		9		(9)
Social Security Contributions	3,880	2,608	4,500	1,892
Other Employee Benefits	494	411	850	439
Mileage in Lieu of Transportation		46,590	30,000	(16,590)
Motor Fuel	8,358	6,519	45,000	38,481
Total Vehicle Operation Services	<u>63,698</u>	<u>90,339</u>	<u>157,350</u>	<u>67,011</u>
Total Expenditures and Transfers	<u>2,679,407</u>	<u>2,747,233</u>	<u>3,419,626</u>	<u>672,393</u>
Receipts Over (Under)				
Expenditures and Transfers	(50,457)	292,767		
Unencumbered Cash, Beginning	802,196	751,739		
Unencumbered Cash, Ending	<u>751,739</u>	<u>1,044,506</u>		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Federal Sources					
Passed Through State of Kansas	\$	18,153	25,862		25,862
Operating Transfers					
Transfer from General Fund		302,338	280,002		280,002
Transfer from Supplemental General Fund		10,000		300,640	(300,640)
Total Operating Transfers		312,338	280,002	300,640	(20,638)
Total Cash Receipts		330,491	305,864	300,640	5,224
Expenditures and Transfers					
Instruction					
Certified Salaries		183,952	193,861	188,200	(5,661)
Group Insurance		20,194	18,369	22,500	4,131
Social Security Contributions		13,135	13,576	16,000	2,424
Worker's Compensation			7		(7)
Other Employee Benefits		1,785	1,907	2,100	193
Purchased Professional and Technical Services		51,221	50,045	52,250	2,205
Other Professional Services		1,701			
Other Purchased Services			1,766		(1,766)
Other Miscellaneous Purchased Services		695	805	900	95
Supplies and Materials		4,178			
General Supplies and Materials		12,171	7,825	13,300	5,475
Textbooks		2,556	3,813	5,000	1,187
Property (Equipment & Furnishings)		24,033	21,431	25,450	4,019
Total Instruction		315,621	313,405	325,700	12,295
Support Services					
Purchased Professional and Technical Services				2,000	2,000
Support Services - Instructional Staff					
Purchased Professional and Technical Services		4,673	4,218		(4,218)
Other Purchased Services				1,742	1,742
Total Support Services - Instructional Staff		4,673	4,218	1,742	(2,476)
Support Services - General Administration					
Supplies and Materials			525		(525)
Support Services - School Administration					
Certified Salaries		500	150	500	350
Total Expenditures and Transfers		320,794	318,298	329,942	11,644
Receipts Over (Under)					
Expenditures and Transfers		9,697	(12,434)		
Unencumbered Cash, Beginning		19,147	29,000		
Prior Year Encumbrances Cancelled		156	12,049		
Unencumbered Cash, Ending		29,000	28,615		

Gifts and Grants Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Donations	\$		2,291	10,000
Total Cash Receipts			2,291	10,000
Expenditures and Transfers				
Instruction				
Supplies and Materials			57	(57)
Technology Supplies				5,000
Total Instruction			57	5,000
Support Services - Students				
Non-Certified Salaries		209		5,000
Other Employee Benefits		16		195
Total Support Services - Students		225		5,195
Total Expenditures and Transfers		225	57	10,138
Receipts Over (Under)				
Expenditures and Transfers	(	225)	2,234	
Unencumbered Cash, Beginning		420	195	
Unencumbered Cash, Ending		195	2,429	

Unified School District No. 413
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from State Sources					
Other State Aid	\$	343,433	917,641	883,476	34,165
Total Cash Receipts		<u>343,433</u>	<u>917,641</u>	<u>883,476</u>	<u>34,165</u>
Expenditures and Transfers					
Instruction					
Employee Benefits		464,967	536,989	609,582	72,593
Support Services - Students					
Employee Benefits		32,103	36,148	42,088	5,940
Support Services - Instructional Staff					
Employee Benefits		25,961	39,281	34,034	(5,247)
Support Services - General Administration					
Employee Benefits		22,278	19,872	29,207	9,335
Support Services - School Administration					
Employee Benefits		62,137	57,383	81,463	24,080
Fiscal Services					
Employee Benefits		1,520	3,255		(3,255)
Support Services - Plant Operation and Maintenance					
Employee Benefits		37,541	35,309	49,217	13,908
Student Transportation Services					
Employee Benefits		8,842	10,031	11,592	1,561
Support Services - Business					
Employee Benefits				1,993	1,993
Food Service Operations					
Employee Benefits		18,535	30,779	24,300	(6,479)
Total Expenditures and Transfers		<u>673,884</u>	<u>769,047</u>	<u>883,476</u>	<u>114,429</u>
Receipts Over (Under)					
Expenditures and Transfers	(	330,451)	148,594		
Unencumbered Cash, Beginning			(330,451)		
Beginning Balance Adjustment			(188,387)		
Unencumbered Cash, Ending	(	<u>330,451</u>)	<u>370,244</u>)		

Unified School District No. 413
 Contingency Reserve Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	1,409,865	1,409,865
Unencumbered Cash, Ending	<u>1,409,865</u>	<u>1,409,865</u>

Unified School District No. 413
Textbook & Student Material Revolving Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	\$ 47,566	42,098
Operating Transfers		
Transfer from General Fund		189,968
Total Cash Receipts	<u>47,566</u>	<u>232,066</u>
Expenditures and Transfers		
Instruction		
Textbooks	<u>39,891</u>	<u>56,040</u>
Total Expenditures and Transfers	<u>39,891</u>	<u>56,040</u>
Receipts Over (Under)		
Expenditures and Transfers	7,675	176,026
Unencumbered Cash, Beginning	84,195	91,870
Prior Year Encumbrances Cancelled		<u>230</u>
Unencumbered Cash, Ending	<u><u>91,870</u></u>	<u><u>268,126</u></u>

Unified School District No. 413
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 191,285	167,091	166,959	132
Delinquent Taxes	4,084	4,302	5,493	(1,191)
Total Revenue from Local Sources	<u>195,369</u>	<u>171,393</u>	<u>172,452</u>	<u>(1,059)</u>
Revenue from County Sources				
Motor Vehicle Tax	27,203	26,142	27,099	(957)
Recreational Vehicle Tax	353	359	342	17
Revenue in Lieu of Taxes	484	335	183	152
Total Revenue from County Sources	<u>28,040</u>	<u>26,836</u>	<u>27,624</u>	<u>(788)</u>
Total Cash Receipts	<u>223,409</u>	<u>198,229</u>	<u>200,076</u>	<u>(1,847)</u>
Expenditures and Transfers				
Community Services Operations				
Other	<u>227,000</u>	<u>200,000</u>	<u>200,000</u>	
Total Expenditures and Transfers	<u>227,000</u>	<u>200,000</u>	<u>200,000</u>	
Receipts Over (Under)				
Expenditures and Transfers	(3,591)	(1,771)		
Unencumbered Cash, Beginning	<u>73,915</u>	<u>70,324</u>		
Unencumbered Cash, Ending	<u>70,324</u>	<u>68,553</u>		

Unified School District No. 413
Rec Comm Emp Benf & Spec Liab Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 35,090	60,481	60,604	(123)
Delinquent Taxes	744	781	1,012	(231)
Total Revenue from Local Sources	<u>35,834</u>	<u>61,262</u>	<u>61,616</u>	<u>(354)</u>
Revenue from County Sources				
Motor Vehicle Tax	4,964	4,612	4,730	(118)
Recreational Vehicle Tax	64	63	60	3
Revenue in Lieu of Taxes	82	62	32	30
Total Revenue from County Sources	<u>5,110</u>	<u>4,737</u>	<u>4,822</u>	<u>(85)</u>
Total Cash Receipts	<u>40,944</u>	<u>65,999</u>	<u>66,438</u>	<u>(439)</u>
Expenditures and Transfers				
Community Services Operations				
Other	41,000	58,050	58,050	
Total Expenditures and Transfers	<u>41,000</u>	<u>58,050</u>	<u>58,050</u>	
Receipts Over (Under)				
Expenditures and Transfers	(56)	7,949		
Unencumbered Cash, Beginning	<u>13,920</u>	<u>13,864</u>		
Unencumbered Cash, Ending	<u>13,864</u>	<u>21,813</u>		

Unified School District No. 413
21st Century Community Learning Centers Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	1,592	1,592
Unencumbered Cash, Ending	1,592	1,592

Unified School District No. 413
Technology Literacy Challenge (Title II-D) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 6,982	7,578
Total Cash Receipts	<u>6,982</u>	<u>7,578</u>
Expenditures and Transfers		
Instruction		
Certified Salaries		915
Social Security Contributions		50
Purchased Professional and Technical Services	500	2,401
Other Purchased Services	1,624	90
Supplies and Materials	1,937	
Property (Equipment & Furnishings)	4,514	3,241
Total Expenditures and Transfers	<u>8,575</u>	<u>6,697</u>
Receipts Over (Under)		
Expenditures and Transfers	(1,593)	881
Unencumbered Cash, Beginning	(240)	(1,833)
Unencumbered Cash, Ending	<u>(1,833)</u>	<u>(952)</u>

Unified School District No. 413
Physical Education for Progress Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Direct From Federal Government	\$ 86,583	5,600
Total Cash Receipts	<u>86,583</u>	<u>5,600</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	51,583	214
Social Security Contributions	10,839	50
Other Purchased Services	2,430	
General Supplies and Materials	10,688	
Other	<u>578</u>	
Total Expenditures and Transfers	<u>76,118</u>	<u>264</u>
Receipts Over (Under)		
Expenditures and Transfers	10,465	5,336
Unencumbered Cash, Beginning	(10,465)	
Prior Year Encumbrances Cancelled		337
Beginning Balance Adjustment		<u>(5,673)</u>
Unencumbered Cash, Ending	<u><u> </u></u>	<u><u> </u></u>

Unified School District No. 413
Special Mini-Grants Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	1,700
Total Cash Receipts		1,700
Expenditures and Transfers		
Support Services - Instructional Staff		
Purchased Professional and Technical Services		1,717
Total Expenditures and Transfers		1,717
Receipts Over (Under)		
Expenditures and Transfers		(17)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		(17)

Unified School District No. 413
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 391,452	506,615
ARRA Grant	<u>164,614</u>	<u>119,297</u>
Total Cash Receipts	<u>556,066</u>	<u>625,912</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	310,579	298,447
Non-Certified Salaries	105,430	115,684
Employee Benefits	1,508	48,431
Social Security Contributions		464
Other Employee Benefits	82,634	31,140
Purchased Professional and Technical Services	49,815	6,444
Purchased Property Services	87,381	524
Supplies and Materials	<u>41,918</u>	<u>23,324</u>
Total Instruction	<u>679,265</u>	<u>524,458</u>
Support Services		
Other Purchased Services		<u>9,049</u>
Total Expenditures and Transfers	<u>679,265</u>	<u>533,507</u>
Receipts Over (Under)		
Expenditures and Transfers	(123,199)	92,405
Unencumbered Cash, Beginning	(2,305)	(125,504)
Prior Year Encumbrances Cancelled		1,882
Unencumbered Cash, Ending	<u>(125,504)</u>	<u>(31,217)</u>

Unified School District No. 413
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 108,619	102,458
Total Cash Receipts	<u>108,619</u>	<u>102,458</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	103,674	71,859
Other Employee Benefits	14,124	11,524
Purchased Professional and Technical Services	8,237	14,308
Other Purchased Services	18,318	7,576
Supplies and Materials	2,685	359
Total Instruction	<u>147,038</u>	<u>105,626</u>
Support Services - Instructional Staff		
Certified Salaries		651
Supplies and Materials		1,860
Total Support Services - Instructional Staff		<u>2,511</u>
Total Expenditures and Transfers	<u>147,038</u>	<u>108,137</u>
Receipts Over (Under)		
Expenditures and Transfers	(38,419)	(5,679)
Unencumbered Cash, Beginning	(8,517)	(46,936)
Unencumbered Cash, Ending	<u>(46,936)</u>	<u>(52,615)</u>

Unified School District No. 413
Innovative Educ Prog Strategies (Title V) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
General Supplies and Materials	28	
Total Expenditures and Transfers	28	
Receipts Over (Under)		
Expenditures and Transfers	(28)	
Unencumbered Cash, Beginning	28	
Unencumbered Cash, Ending		

Unified School District No. 413
 Kan-Ed Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	11,064
Total Cash Receipts		11,064
Expenditures and Transfers		
Instruction		
Other Purchased Services		1,520
Miscellaneous Supplies		(5,345)
Total Instruction		(3,825)
Support Services - Students		
Miscellaneous Supplies		14,889
Total Expenditures and Transfers		11,064
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 413
Drug-Free Schools (Title IV-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Support Services - Students		
Miscellaneous Supplies	236	
Total Expenditures and Transfers	236	
Receipts Over (Under)		
Expenditures and Transfers	(236)	
Unencumbered Cash, Beginning	236	
Unencumbered Cash, Ending		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	597,603	688,139	688,794	(655)
Delinquent Taxes		14,433	14,503	17,100	(2,597)
Earnings on Investments		106,053	27,288	325,000	(297,712)
Total Revenue from Local Sources		<u>718,089</u>	<u>729,930</u>	<u>1,030,894</u>	<u>(300,964)</u>
Revenue from County Sources					
Motor Vehicle Tax		103,129	85,313	88,397	(3,084)
Recreational Vehicle Tax		1,338	1,166	1,115	51
Revenue in Lieu of Taxes		1,617	1,042	598	444
Total Revenue from County Sources		<u>106,084</u>	<u>87,521</u>	<u>90,110</u>	<u>(2,589)</u>
Revenue from State Sources					
State Financial Aid		971,210	950,976	950,977	(1)
Operating Transfers					
Residual Equity Transfer			290,000		290,000
Total Cash Receipts		<u>1,795,383</u>	<u>2,058,427</u>	<u>2,071,981</u>	<u>(13,554)</u>
Expenditures and Transfers					
Debt Service					
Interest (Coupons)		2,023,356	2,023,356	2,023,356	
Total Expenditures and Transfers		<u>2,023,356</u>	<u>2,023,356</u>	<u>2,023,356</u>	
Receipts Over (Under)					
Expenditures and Transfers	(	227,973)	35,071		
Unencumbered Cash, Beginning		<u>635,376</u>	<u>407,403</u>		
Unencumbered Cash, Ending		<u>407,403</u>	<u>442,474</u>		

Unified School District No. 413
 Stadium Capital Project Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	\$ 20,650	36,000
Total Cash Receipts	<u>20,650</u>	<u>36,000</u>
Expenditures and Transfers		
Debt Service		
Redemption of Principal	<u>20,650</u>	<u>36,000</u>
Total Expenditures and Transfers	<u>20,650</u>	<u>36,000</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u> </u>

Unified School District No. 413
School Building Capital Project Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Earnings on Investments	\$ 1,287	
Other Revenue From Local Sources	(57)	
Total Cash Receipts	<u>1,230</u>	
Expenditures and Transfers		
Facilities Acquisition and Construction Services		
Architecture and Engineering Services	2,934	3,381
Architect Reimbursables	192	
Total Facilities Acquisition and Construction Services	<u>3,126</u>	<u>3,381</u>
Other Services		
Site Improvement Services	1,626	
Fund Transfers		
Residual Equity Transfer Out		290,000
Total Expenditures and Transfers	<u>4,752</u>	<u>293,381</u>
Receipts Over (Under)		
Expenditures and Transfers	(3,522)	(293,381)
Unencumbered Cash, Beginning	<u>2,223,965</u>	<u>2,220,443</u>
Unencumbered Cash, Ending	<u><u>2,220,443</u></u>	<u><u>1,927,062</u></u>

Unified School District No. 413
School Nurse - Needy Family Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 430	1,454
Total Cash Receipts	<u>430</u>	<u>1,454</u>
Expenditures and Transfers		
Support Services - Students		
Supplies and Materials	819	1,786
Total Expenditures and Transfers	<u>819</u>	<u>1,786</u>
Receipts Over (Under)		
Expenditures and Transfers	(389)	(332)
Unencumbered Cash, Beginning	6,778	6,389
Unencumbered Cash, Ending	<u><u>6,389</u></u>	<u><u>6,057</u></u>

Unified School District No. 413
Snyder Library Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Other		164
Total Expenditures and Transfers		164
Receipts Over (Under)		
Expenditures and Transfers		(164)
Unencumbered Cash, Beginning	164	164
Unencumbered Cash, Ending	164	

Unified School District No. 413
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 391,452	506,615
ARRA Grant	<u>164,614</u>	<u>119,297</u>
Total Cash Receipts	<u>556,066</u>	<u>625,912</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	310,579	298,447
Non-Certified Salaries	105,430	115,684
Employee Benefits	1,508	48,431
Social Security Contributions		464
Other Employee Benefits	82,634	31,140
Purchased Professional and Technical Services	49,815	6,444
Purchased Property Services	87,381	524
Supplies and Materials	<u>41,918</u>	<u>23,324</u>
Total Instruction	<u>679,265</u>	<u>524,458</u>
Support Services		
Other Purchased Services		<u>9,049</u>
Total Expenditures and Transfers	<u>679,265</u>	<u>533,507</u>
Receipts Over (Under)		
Expenditures and Transfers	(123,199)	92,405
Unencumbered Cash, Beginning	(2,305)	(125,504)
Prior Year Encumbrances Cancelled		1,882
Unencumbered Cash, Ending	<u>(125,504)</u>	<u>(31,217)</u>

Unified School District No. 413
Chanute, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>				
Junior High: Athletics	\$ 420	9,682	9,813	289
High School: Athletics	20,779	110,601	97,481	33,899
Subtotal Gate Receipts	21,199	120,283	107,294	34,188
<u>Special Projects:</u>				
Junior High: F&SC	10	1,836	1,828	18
Interest		211	211	
Scholastic Books		210	210	
High School: Year Book	18,911	18,012	36,102	821
Concessions and Vending	2,086	2,712	3,372	1,426
Subtotal Special Projects	21,007	22,981	41,723	2,265
Total District Activity Funds	42,206	143,264	149,017	36,453

See accompanying notes to financial statements.

Unified School District No. 413
Chanute, Kansas
Reconciliation of Expenditures
For the Year Ended June 30, 2011

Total Expenditures per Schedule 1	\$ 25,911,994
Plus Non Budgeted Funds:	
Textbook & Student Material Revolving	56,040
Technology Literacy Challenge Grant	6,697
Physical Education for Progress Grant	542
Low Income ESES Title I Grant	533,517
Improving Teacher Quality Grant	108,137
Special Mini Grants	1,717
Kan-Ed	16,409
Gate Receipts	107,294
Special Projects	41,723
Stadium Capital Project	36,000
School Building Construction Project	293,381
Snyder Library	164
School Nurse and Other	<u>1,786</u>
Total Expenditures per Summary Statement	<u><u>27,115,401</u></u>

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Board of Education
Chanute Unified School District No. 413
Chanute, Kansas

We have audited the financial statements of Chanute Unified School District No. 413 as of and for the year ended June 30, 2011, and have issued our report thereon dated February 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chanute Unified School District No. 413's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chanute Unified School District No. 413's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, L.L.C.

February 16, 2012

**Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program and Internal
Control Over Compliance in Accordance with OMB Circular A-133**

Board of Education
Chanute Unified School District No. 413
Chanute, Kansas

Compliance

We have audited Chanute Unified School District No. 413's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Chanute Unified School District No. 413's major federal programs for the year ended June 30, 2011. Chanute Unified School District No. 413's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Chanute Unified School District No. 413's management. Our responsibility is to express an opinion on Chanute Unified School District No. 413's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chanute Unified School District No. 413's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Chanute Unified School District No. 413's compliance with those requirements.

In our opinion, Chanute Unified School District No. 413 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Chanute Unified School District No. 413 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chanute Unified School District No. 413's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not

identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

February 16, 2012

Unified School District No. 413
Chanute, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 413 .
2. No reportable conditions were disclosed during the audit of the financial statements
3. No instances of noncompliance material to the financial statements of Unified School District No. 413 were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 413 expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Unified School District No. 413 are reported.
7. The programs tested as major programs included:

84.010	ESEA Title I
84.389	Title I - Recovery Act
84.410	Education Jobs Fund

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 413 was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

(None Reported)

C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS

(None Reported)

Unified School District No. 413
Chanute, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture		
Passed through State Department of Education		
Child Nutrition Cluster:		
School Breakfast Program	10.553	172,100
National School Lunch Program	10.555	501,280
Special Milk	10.556	1,266
Summer Food Service Program	10.559	9,201
Fresh Fruits & Vegetables Program	10.582	<u>34,882</u>
Total U.S. Department of Agriculture		<u>718,729</u>
U.S. Department of Education		
Passed through State Department of Education		
ESEA Title I (Low Income) Aid	84.010	450,866 (1) (3)
Vocational Education - Secondary Improvement	84.048	25,862
Technology Literacy Challenge (Title II-D)	84.318	6,697
Improving Teacher Quality (Title II-A)	84.367	108,137
Title I Grants to Local Educational Agencies (LEAs), Recovery Act	84.389	84,358 (1) (3)
State Fiscal Stabilization Fund	84.394	226,287
Education Jobs Fund	84.410	<u>396,223 (1)</u>
Total U.S. Department of Education		<u>1,298,430</u>
Total Expenditures of Federal Awards		<u><u>2,017,159</u></u>

(1) These programs were audited as major programs.

(2) The School District follows a regulatory basis of accounting in preparing this schedule.

This basis is consistent with the method used in the preparation of the School District's financial statements.

(3) Audited as a cluster